

FISCAL NOTE

Bill #: HB0282

Title: Revise funding of administrative costs of unemployment insurance fund

Primary

Sponsor: Royal Johnson

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	(\$404,000)	(\$596,000)
State Special	\$404,000	\$596,000
Revenue:		
State Special Revenue	\$ 404,000	\$ 1,229,000
Expendable Trust Fund	(404,000)	(1,229,000)
Net Impact on General Fund Balance:	\$404,000	\$596,000

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. Projected revenues are based on affected taxable wages of \$2.473 billion (adjusted for January 1, 2000 effective date) for FY 2000 and \$4.053 billion for FY 2001.
2. This bill essentially increases the percentage allocated to administrative costs by .03%, and correspondingly reduces the amount going to the expendable trust, so there is no impact on the taxpayer.
3. There will be legislative approval of the companion bill, HB281, and approval by the electorate at an election, as required by CI-75.
4. If this bill is signed, and the companion bill HB281 is approved by the electorate, the general fund appropriation of \$1,000,000 provided in HB2 for Employment Security Account (ESA) funding in the

(continued)

Department of Labor and Industry (decision package PL409) will be replaced by the funds generated by this bill.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<u>Expenditures:</u>	\$0	\$0
<u>Funding:</u>		
General Fund (01)	(\$404,000)	(\$596,000)
State Special Revenue (02)	<u>404,000</u>	<u>596,000</u>
TOTAL	\$0	\$0
<u>Revenues:</u>		
State Special Revenue (02)	\$404,000	\$1,229,000
Expendable Trust Fund (08)	(404,000)	(1,229,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$404,000	\$596,000
State Special Revenue (02)	\$0	633,000
Expendable Trust Fund (08)	(\$ 404,000)	(\$ 1,229,000)

LONG-RANGE IMPACTS:

1. Currently, the State Unemployment Insurance (UI) fund is very solvent, and the rate decrease proposed in this bill should not affect that condition. Should the UI experience fiscal difficulties, the rate schedule will automatically compensate for the loss of income in the UI fund in future years.